



# Chemical, Packaged Oils and Lubricants Pre-Proposal Conference

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Defense Logistics Agency

Defense Supply Center  
Richmond

11 August 2015



# Agenda

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- 0730-0830 Clear Security/Obtain Badges
- 0830 -0900 Arrival and Registration
- 0900-0915 Director/Chief of the Contracting Office  
Comments
- 0915-1000 Introductions
- 1000-1045 Chemical & Petroleum Solicitation Overview  
(Julia Roquemore)
- 1045-1100 Break
- 1100-1230 Open Forum Question and Answer Session



# Panel

Contracting Officer (Follow On)

Ms. Julia Roquemore

Acquisition Specialist

Ms. Jodi Beard

Contracting Officer (Current)

Ms. Tonya Green

Chem/POL Advisor

Mr. James (Travis) Beasley

Program Manager

Mr. Michael Gargiulo

Program Management Support

Mr. Steve Morgan

Office of Council

Mr. Jason Morgan

Supply Planning

Mr. Pete Campisi

Technical

Mr. Ernest Jenioleonis



# Chemical and Petroleum Overview

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Ms. Julia Roquemore  
Contracting Officer  
Chief, Strategic Contracting Division



# Introduction

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- Current Contract Expiration: July 2017
- 5600 + DLA Managed NSNs
  - 3327 active
  - 2326 inactive
- Integrated World-Wide support for DLA customers including:
  - Worldwide support thru customer direct shipments
  - Replenishment of OCONUS Forward Stock Locations(FSL) via direct shipments
- Contract Type - Single award/FP IDIQ/ with EPA
- Est annual material spend demand - \$100M
- Est monthly delivery orders - 10K per month
- Contract Period - 5 year base
  - Option 1 - 3years
  - Option 2 - 2 years
- Est total contract value - \$1.5B
- Performance Metrics



# Scope

- **Comprehensive Management to include:**
  - Procurement of materials
  - Planning & Forecasting
  - Order Processing & Fulfillment
  - Procurement & Purchasing
  - Inventory Management
  - Quality Control
  - Shelf-Life Management
  - Storage, Packaging, Transportation & Distribution
  - Obsolescence Management
  - Data Management & Delivery
  - Customer Support Services
  - Material Returns



# DLA Responsibilities

- **Maintain responsibility of:**
  - Alternate source approvals
  - Surplus offers
  - First Article Test (FAT) requirements
  - Qualified Products List (QPL)
  - Quality Assurance Letters of Instruction
  - Government Lot Acceptance Testing
  - PQDR/SDR approval
  - Military/Federal Specifications
  - Waivers and Deviations
  - Creating new NSNs as required



# DLA Responsibilities

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## continued

- Maintaining the Qualified Status List (QSL)
- Approving Safety Data Sheets (SDS) and Hazard Warning Labels (HWLs)
- Origin inspection determination
- Provide access to the QSL on an as needed basis
- Procurement Item Descriptions (PID) updates.
- Coordinate communications with customers and provide assistance with Contractor access to customer locations.
- Make semi-annual Economic Price Adjustments (EPA).
- Provide Contractor access to Government systems, such as, Hazardous Material Information Resource System (HMIRS) & webSDR, as needed.
- Furnish all drawings and bid sets.





# Delivery Requirements

FILL RATE MEASUREMENTS		
		CONUS and OCONUS Shipment to CCPs/POE
	Delivery Order Category (CAT) Codes	
Priority 01 - 03	CAT 1 (High Priority)	2 Days
Priority 04 - 08	CAT 2	3 Days
Priority 09 - 15	CAT 3	4 Days

- Performance tracking will start upon the issuance of the first delivery order
- Fill Rate Metric will assess performance over a 12 month performance period
- The first performance period will start at FOC and will continue through contract expiration
- Fill Rate annual % will be measured on the formula below:

$$FR\% = (TRS/TRR) * 100$$

Where: FR% = Fill Rate (rounded to the nearest tenth)

TRS = Total Orders Shipped complete within the designated measurement timeframe

TRR = Total Orders Received in a specific performance period



# Delivery Requirements

## Continued

<b>TDD DELIVERY STANDARDS</b>		
		<b>CONUS and OCONUS Shipment to CCPs/Ports of Embarkation</b>
	<b>Issue Priority Designator (IPG)</b>	<b>FOB Destination</b>
Priority 01 - 03	IPG 1 (High Priority)	6 Business Days
Priority 04 - 08	IPG 2	10 Business Days
Priority 09 - 15	IPG 3	15 Business Days

- Contractor successful completion of CONUS demand:
  - after receipt of electronic requisition and customer has received a product at the customer designated site within the specified TDD standards.
- Contractor completion of OCONUS/FMS demand:
  - after receipt of electronic requisition, the Contractor has delivered a product to the designated CCP, freight forwarder, or CONUS POE for OCONUS customer direct orders within the specified TDD standards.



# Contract Metrics - Fill Rate

<b>Performance Period 1: (Completion of Transition Period thru contract completion)</b>	
<b>Fill Rate</b>	<b>Disincentive</b>
90% or greater	0
88% - 89.9%	-3%
85.1% - 87.9%	-5%
85% or less	-10%

- Fill Rate = The amount of time measured from receipt of order to shipment.
- The annual performance Fill Rate% will be computed using the formula below:  
Fill Rate % will be measured on the formula below:  
$$FR\% = (TRS/TRR) * 100$$
  
Where: FR% = Fill Rate (rounded to the nearest tenth)  
TRS = Total orders shipped complete within the designated measurement times  
TRR = Total orders received in a specific performance period
- NOTE: Nuclear Reactor Program (NRP) items require 95% fill rate



# Contract Metrics - Backorder

Backorder Category	Number of Calendar Days Late	Disincentive Percentage
A	0-14	0%
B	15-20	-3%
C	21-50	-8%
D	51-80	-15%
E	>81	-25%

- The total number of Backorders for a period will be categorized by the number of calendar days the orders are late.
- The degree of disincentive increases proportionate with the age of the backorders as shown in the above chart



# Small Business Participation Plan

- Offerors other than U.S. Small Business Offerors must provide a Subcontracting Plan in accordance with FAR 52.216-9 and DFARS 252.219-7003 (or DFARS 252.219-7004 if the company has a Comprehensive Plan)
- All offerors must provide a Small Business Participation Proposal
- Instructions begin on page 10 of the Instruction to Offerors.



# Small Business Participation Plan

Subcontracted Material \$ to SB	Incentive/Disincentive
<50%	-5%
50%-65%	0%
65%	2%

- Due to the importance of small business participation in this program, the disincentive associated with this metric is intentionally more stringent.
- No specific category of small business entities are required for the attainment of the goal.
- Performance for the Small Business Subcontracting Metric will be tracked on an annual basis and shall be reflected on the Small Business Subcontract spend analysis report.



# Pricing

- Material priced at time of award represents the fixed commodity price for a six-month period
- Pricing will be adjusted semi-annually throughout the life of the contract in accordance with Economic Price Adjustments (EPA) pursuant to clause 52.216-9030.
- EPA applies to material only
- Transition and Management Fees are to be priced for Base and Option Periods at time of proposal.
- Throughput Fee is to be proposed as a percentage at the time of proposal. This percentage will be added to material prices and paid as part of the material price.



# FEEES

- **Throughput Fee:** A fixed percentage is established to cover expenses that vary with the volume of business such as the costs of transportation and warehousing. The fee is applied to each NSN unit price and is paid on each delivery order issued. This fee is applicable throughout the entire contract.
- **Management Fee:** A fixed annual dollar amount is established to cover fixed costs incurred in the overall management of the supply chain. This fee is applicable throughout the entire contract term and is paid monthly.
- **Transition Fee:** A fixed dollar amount is established for the first year to cover transition and implementation costs. The fee will be paid in accordance with established milestones as defined by the approved transition plan.





# Instructions to Offerors

- Proposals Due: 02 Nov 2015
- Volume 5, Past Performance is requested by Oct. 23
- 7 Volumes
  - Completed RFP
  - Technical Proposal
  - Safety Data Sheet & Hazardous Warning Labels
  - Management Proposal
  - Past Performance
  - Small Business Participation Plan
  - Price Proposal
- Page limits apply to the Technical and Management Proposals



# Instructions to Offerors (Cont'd)

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- Scenario Based Questions:
  - Will be provided upon submittal of proposal
  - Will be evaluated as part of the Technical Subfactors (Quality Control and Product Management) and Management Subfactor (Order Fulfillment)
  - Responses will be due within 3 days



# Evaluation Criteria

- Best-Value/Trade-off Source Selection
- Evaluation Factors & Sub-Factors:
  - Technical (Each sub-factor is equal and rated at the sub-factor level)
    - Quality Control
    - Product Management
  - Management (Each sub-factor is equal and rated at the sub-factor level)
    - Order Fulfillment
    - Risk Management
    - Transition Plan
  - Past Performance
  - Small Business Participation Plan
  - Cost/Price
  - Scenario Based Questions will be included in the evaluation of Quality Control, Product management and Order Fulfillment
- Factor Weighting:
  - Technical, Management, Past Performance, and SB Participation Plan are weighted equally. When combined, these non-price factors are significantly more important than Cost/Price.



# Evaluation Process

- The Gov't reserves the right to award without discussions
- Communication (Exchanges) between the Government and Offerors will be controlled by the KO
- Email may be utilized only if it can be encrypted
- Exchanges may include clarifications, communications and discussions as defined in FAR 15.306
- All exchanges will be documented in Evaluation Notices (ENs)



# Evaluation Process

- The Source Selection Evaluation Board / Source Selection Evaluation Team will:
  - Evaluate proposals
  - Prepare Evaluation Notices (EnS)
  - Prepare the Competitive Range Determination (if required)
- The KO releases the ENs
- ENs evaluated by SSET
- Final Proposal Revisions requested



# Chem/Pol Website

- Chem Pol Website:

<http://www.aviation.dla.mil/userweb/aviationsupplier/commodities/ChemPetro.asp>

- Includes:

- RFP and attachments
- RFP amendments
- Miscellaneous reports
- Pre-proposal conference information and questions and answers



# Key Milestones

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- 27 Jul 15 - RFP Issue
- 11 Aug 15 - Pre-Proposal Conference
- 02 Nov 15 - Receipt of Proposals
- 08 Dec 15 - Initial Evaluation complete
- 20 Jan 16 - Conclude Discussions
- 18 July 16 - Conclude all internal reviews, documentation and approvals
- 19 July 16 - Award contract



# Chemical, Packaged Oils and Lubricants Industry Day

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## Question & Answers